Public Works and Government Services Canada
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PUBLIC WORKS AND GOVERNMENT SERVICES CANADA

QUARTERLY FINANCIAL REPORT

For the quarter ended December 31, 2013

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1. Introduction

This Quarterly Financial Report should be read in conjunction with the *Main Estimates*, *Supplementary Estimates*, and *Canada's Economic Action Plan* (*Budgets 2013*, *2012* and *2011*). It has been prepared by management as required under section 65.1 of the *Financial Administration Act* and in the form and manner prescribed by Treasury Board Accounting Standard 1.3. It has not been subject to an external audit or review.

1.1 Authority, Mandate and Program Alignment Architecture

Public Works and Government Services Canada (PWGSC) plays an important role in the daily operations of the Government of Canada. The Department is its principal treasurer, accountant, central purchasing agent, linguistic authority, and real property manager. The Department's vision is to excel in government operations, and its mission is to deliver high-quality services and programs that meet the needs of federal organizations and ensure sound stewardship on behalf of Canadians.

The Department, founded in 1841, was instrumental in the building of our nation's canals, roads and bridges, the Houses of Parliament, post offices and federal buildings across the country. Today, PWGSC has evolved into a sophisticated operational arm of government that employs approximately 11,700 permanent employees working in locations across Canada, with its headquarters in the National Capital Area. PWGSC:

- Injects more than $14 billion annually into the Canadian economy through government procurement;
- Handles over $2.2 trillion in cash flow transactions through the Receiver General function;
- Issues more than 14 million federal pay and pension payments;
- Provides accommodation to parliamentarians and more than 272,200 public servants in 1,795 locations across Canada;
- Provides translation and interpretation services, annually, for more than 1,700 parliamentary sittings and parliamentary committee meetings, and translates more than one million pages of text on behalf of other federal organizations; and
- Processes and images more than 23 million pages, annually, for federal government departments and agencies.

Further details on PWGSC's authority, mandate and programs may be found in the *2013-14 Report on Plans and Priorities*.

1.2 Basis of Presentation

This quarterly report has been prepared by management using an expenditure basis of accounting also known as modified cash accounting, and a special purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities. The accompanying *Statement of Authorities* compares PWGSC's spending authorities granted by Parliament to those used by the Department. Information in the Statement of Authorities is consistent with that in the *Main Estimates*.

The authority of Parliament is required before monies can be spent by the government. Approvals are given in the form of annually approved limits through appropriation acts or through legislation granting statutory spending authority for specific purposes.

PWGSC uses the accrual method of accounting to prepare and present its annual Consolidated Departmental Financial Statements (DFS) that are published in the *Departmental Performance Report*. However, the spending authorities voted by Parliament remain on a modified cash basis of accounting.

The main difference between the QFR and the DFS is the timing of when revenues and expenses are recognized. The QFR reports revenues only when the money is received and expenses only when the money is paid out. The DFS reports revenues when they are earned and expenses when they are incurred. In the latter case, revenues are recorded even if cash has not been received and expenses are incurred even if cash has not yet been paid out.

As part of the Parliamentary business of supply, the Main Estimates must be tabled in Parliament on or before March 1 preceding the new fiscal year. Budget 2012 was tabled in Parliament on March 29, 2012, after the tabling of the Main Estimates on February 28, 2012. As a result, the measures announced in Budget 2012 could not be reflected in the 2012-13 Main Estimates. Therefore, amounts presented for fiscal year 2012-13 in Table 1, Statement of Authorities, exclude savings measures announced in Budget 2012.

In fiscal year 2012-13, frozen allotments were established by Treasury Board authority in departmental votes to prohibit the spending of funds already identified as savings measures in Budget 2012. In 2013-14, the changes to departmental authorities were reflected in the 2013-14 Main Estimates tabled in Parliament and are included in Table 1 for fiscal year 2013-14.

1.3 PWGSC's Financial Structure

PWGSC provides services to many government departments, agencies and Crown corporations through a variety of funding mechanisms. This includes budgetary authorities that are comprised of voted and statutory authorities, as well as non-budgetary authorities. The voted budgetary authorities include Operating Expenditures, Vote-Netted Revenues and Capital Expenditures, while the statutory authorities are mainly comprised of Revolving Funds, the Employee Benefit Plan and Payments in Lieu of Taxes (PILT). The non-budgetary authorities consist primarily of the Seized Property Working Capital Account (see description below).

PWGSC's complex financial structure may result in significant fluctuations in authorities on a quarterly basis which are due to timing differences and are resolved by year end. These are summarized as follows:

- For the most part, PWGSC delivers its services on a cost-recovery basis, generating revenues via Revolving Fund ("the Funds") organizations and programs within the Operating Vote. These organizations and programs are mainly designed to provide services to other government departments, and are expected to recover the cost of their operations through revenues. However, the costs incurred by the Funds are usually disbursed prior to invoicing the client, which generally occurs upon completion of a project or services rendered, and thus revenues may be collected in a subsequent quarter.

- PWGSC manages a variety of real property projects that progress through phases from planning to funding and from procurement to construction. Historical trends have shown that expenditures against these projects are not incurred evenly throughout the year; thus, quarter-to-quarter fluctuations are normal.

- PILT issued by PWGSC are funded through a statutory vote and paid on behalf of other participating federal departments. Payments are subsequently recovered from the participating departments and are recorded as statutory grants in the Public Accounts of Canada. Timing fluctuations can occur between the payments and recoveries from participating departments.

- PWGSC also manages seized property for the Government of Canada pursuant to the *Seized Property Management Act*. The financial management of this activity is undertaken through the non-budgetary Seized Property Working Capital Account. Charged to this Account are expenditures and advances made to maintain and manage any seized or restrained property. PWGSC recovers its costs from this Account once the property owner loses the right to the property and it is disposed of.

2. Highlights of Fiscal Quarter and Fiscal Year to Date (YTD) Results

2.1 Significant Changes to Authorities

When compared to the same quarter of the previous year, PWGSC's **Authorities Available for Use increased by $203.4 million** (2012-13: $2,688.2 million; 2013-14: $2,891.6 million) as reflected in the *Statement of Authorities* (Table 1, page 9). Major reasons for the increase are outlined below:

Year Over Year Variances in Authorities Available for Use

(in millions of dollars)	Operating	Capital	Contribution	Budgetary Statutory Authorities	Total Variances*
Transformation of Pay Administration	31.0	35.7		4.6	**71.3**
Terrasses de la Chaudière	(11.8)	61.7			**49.9**
Non-Discretionary Expenditures for Leased Buildings	39.0				**39.0**
Accommodation	33.2				**33.2**
RCMP E Division Headquarters	5.3	26.0			**31.3**
Carry Forward	0.5	27.4			**27.9**
Engineering Assets	(4.6)	29.5			**24.9**
Rehabilitation of the Parliamentary Precinct	(1.9)	16.3			**14.4**
Controlled Goods	6.1			0.7	**6.8**
Deficit Reduction Action Plan	(22.3)		(4.9)	(0.9)	**(28.1)**
Strategic Review	(34.6)	(32.0)			**(66.6)**
Other	(51.9)	25.0	(0.6)	26.9	**(0.6)**
CUMULATIVE VARIANCE IN AUTHORITIES AVAILABLE FOR USE	**(12.0)**	**189.6**	**(5.5)**	**31.3**	**203.4**

Groupings can change between quarters due to materiality of initiatives.
* Amounts may not balance with other public documents due to rounding.

The **net increase of $203.4 million** can be explained by:

Transformation of Pay Administration Initiative – increase of $71.3 million

The seven-year program of work under the Transformation of Pay Administration Initiative is to support the continued implementation of the Consolidation of Pay Services in Miramichi, New Brunswick, and the modernization of the 40 year old pay system. This planned funding is to hire, relocate, train and accommodate compensation employees in 2013-14. The initiative is on time and on budget.

Terrasses de la Chaudière – increase of $49.9 million

This one-time funding is to purchase Les Terrasses de la Chaudière, a key building complex in Gatineau, Quebec. This is not a new space as the federal government already occupies the complex. During the initial construction, the Government of Canada had entered into a long-term lease-purchase agreement. By exercising the purchase option, the government is leveraging equity built up over three decades through lease payments and capital improvements.

Non-Discretionary Expenditures for Leased Buildings – increase of $39.0 million

The Real Property program is mandated to meet the accommodation needs of federal organizations by providing and maintaining a cost effective portfolio of office facilities and common use assets. The increase is to cover fit-up expenses for three new facilities in Gatineau, Quebec, located at 22 Eddy Street, 30 Victoria Street and 455 De la Carrière Boulevard.

Accommodation – increase of $33.2 million

As the federal government's primary common service provider, PWGSC provides accommodation for government departments and agencies. This funding is mainly for 2013-14 accommodation requirements of various government departments and agencies to meet their program objectives.

RCMP E Division Headquarters – increase of $31.3 million

This transfer of funding from the Royal Canadian Mounted Police (RCMP) to PWGSC is to cover costs related to final alteration of office space and operation of the RCMP E Division Headquarters in Surrey, British Columbia. This new Government of Canada facility was completed in 2012-13 on time, on budget, and on scope through a Public-Private Partnership (P3).

Carry Forward of Unused Funds from Previous Fiscal Year – increase of $27.9 million

In 2013-14, PWGSC received a carry forward of $89.0 million. Treasury Board Secretariat allows departments to transfer a portion of unused funds from one fiscal year to the following year.

Engineering Assets – increase of $24.9 million

PWGSC is the custodian of 19 engineering assets including seven bridge crossings, four dam complexes, and eight specialized assets which constitute critical public infrastructure providing significant benefits to the communities and regions served across Canada. The increase is to repair and rehabilitate some of these assets, including the French River Dam Complex – Big Chaudière Dam replacement on Lake Nipissing, Ontario and the Burlington Canal Lift Bridge over Lake Ontario.

Rehabilitation of the Parliamentary Precinct – increase of $14.4 million

This funding is to continue the implementation of the Long Term Vision and Plan (LTVP), to ensure preservation of the Parliament Buildings as heritage assets and national symbols in accordance with the approved five-year program of work which began in 2010-11. The projects for the LTVP are on time and on budget.

Controlled Goods – **increase of $6.8 million**

This funding is to enhance the Controlled Goods Program through a set of security and business process improvement measures.

Deficit Reduction Action Plan – **decrease of $28.1 million**

In accordance with Budget 2012, PWGSC realized additional savings in 2013-14 mainly attributed to:

- Space recapturing and space standards modernization;
- Leveraging technology; streamlining internal departmental operations; and improving efficiency in government operations; and
- Sunsetting of the Canadian Language Sector Enhancement Program.

Strategic Review – **decrease of $66.6 million**

In accordance with Budget 2011, PWGSC realized additional savings in 2013-14 mainly due to the:

- Implementation of more cost-effective accommodation solutions in the National Capital Area; and
- Expansion of the use of electronic banking; procurement modernization; standardization of desktop computing; and elimination of duplication and overlap of administrative support functions.

Other – **decrease of $0.6 million**

This net decrease of $0.6 million is the result of funding variances in miscellaneous projects and activities (Operating), such as transfers to other government departments. It also includes a $19 million permanent transfer from Operating to Budgetary Statutory Authorities to normalize the treatment of the Employee Benefit Plan in the real property portfolio.

2.2 Significant Changes to Year-to-Date Net Expenditures

As presented in the *Departmental Budgetary Expenditures by Standard Object* (Table 2, page 11), the **Total Net Budgetary Expenditures have increased by $200.7 million** when compared to the same quarter of the previous year (2012-13: $1,885.6 million; 2013-14: $2,086.3 million).

The proportion of planned and actual expenditures in each major expenditure category is consistent with the previous year. Overall, the expended portion represents 72% of annual planned expenditures for 2013-14, while it represented 70% during the third quarter of 2012-13.

Year Over Year Variances in Net Expenditures

(in millions of dollars)	2013-14 Year to date used at quarter end	2012-13 Year to date used at quarter end	Year Over Year Variance
Personnel	865.7	815.7	**50.0**
Professional and Special Services	883.8	857.6	**26.2**
Rentals	867.7	852.8	**14.9**
Repairs and Maintenance	560.2	587.3	**(27.1)**
Acquisition of Land, Buildings & Works	259.9	218.6	**41.3**
Total Revenues Netted Against Expenditures	(1,996.1)	(2,093.4)	**97.3**
Other Expenditures	645.1	647.0	**(1.9)**
Total Net Budgetary Expenditures	**2,086.3**	**1,885.6**	**200.7**

The **net increase of $200.7 million** is mainly attributable to:

Personnel – increase of $50.0 million

- Severance payments paid out to employees during 2013-14, due to ratified changes to some collective agreements. Eligible employees could opt for a one-time payout of their accumulated severance pay.

Professional and Special Services – increase of $26.2 million

- Continued work on the Long Term Vision and Plan to preserve the Parliament Buildings.
- Increased activity in the Transformation of Pay Administration Initiative.
- The increase is partially compensated by the completion of construction of three new facilities in Gatineau, Quebec, located at 22 Eddy Street, 30 Victoria Street and 455 De la Carrière Boulevard.

Rentals – increase of $14.9 million

- Temporary additional space is required due to construction and renovation of several buildings in the real estate portfolio managed by PWGSC.

Repairs and Maintenance – decrease of $27.1 million

- Fluctuation in business volume associated with projects for Correctional Service of Canada (CSC) to construct and upgrade prisons across Canada (Bill C-25: Truth in Sentencing Act).
- Completion of paving on a portion of the Alaska Highway project in 2012-13.
- Decreases are offset by increased occupancy preparation costs for three new facilities in Gatineau, Quebec, as well as environmental remediation being done on the Esquimalt Graving Dock, in Esquimalt, British Columbia.

Acquisition of Land, Buildings & Works – increase of $41.3 million

- Purchase of Terrasses de la Chaudière, a key building complex in Gatineau, Quebec.
- Purchase of a building, on behalf of another department, for the Port Hope Project. This Project involves the cleanup of historic low-level radioactive waste and its long-term safe management, in Port Hope, Ontario. PWGSC will be reimbursed for this cost.
- The increase was offset by the completion of the RCMP H Division in Nova Scotia and the E Division in British Columbia in 2012-13.

Total Revenues Netted Against Expenditures – decrease of $97.3 million

- Fluctuation in business volume associated with projects for CSC to construct and upgrade prisons across Canada (Bill C-25: Truth in Sentencing Act).
- Reduction in business volume for services provided to other departments.

Other Expenditures – decrease of $1.9 million

- The decreases in other expenditure categories not listed above are due to completion of various projects.

3. Risks and Uncertainties

PWGSC integrates risk management principles into business planning, decision-making and organizational processes to minimize negative impacts and maximize opportunities across our diverse range of services and operations. Risk management is carried out through PWGSC in accordance with the Departmental Risk Profile, the internal Integrated Risk Management Policy and the TBS Framework for the Management of Risk.

The following key risks were identified as having a potential financial impact:

- PWGSC's reliance on cost recovery presents a risk in an environment of reduced expenditures on the part of client departments. To mitigate this risk, PWGSC is working closely with other departments through its client service network to identify these changing requirements and their impact on PWGSC. Thus far, the impact on revenues has been manageable.

- Risk associated with complex, transformational and interdepartmental major projects and procurements. In order to address these risks, PWGSC has implemented disciplined investment and project management processes; established service agreements and service standards with clear identification of responsibilities; ensured sound contract management; engaged early with client departments and other stakeholders; and developed the Departmental Integrated Investment Plan (IIP).

4. Significant Changes to Operations, Personnel and Programs

While PWGSC has not seen any significant changes to its operations, personnel and programs in the third quarter of 2013-14, the Department is continually transforming in order to deliver on its budget reduction initiatives. Further information on these initiatives may be found in Section 5 below.

5. Budget 2012 Implementation

This section provides an overview of the savings measures announced in Budget 2012 that are being implemented in order to refocus government and programs, make it easier for Canadians and businesses to deal with their government, and modernize and reduce the back office functions.

PWGSC is committed to achieving Budget 2012 cumulative and ongoing savings of $177.6 million by 2018-19. Savings of $1.5 million were achieved in 2012-13. For 2013-14, PWGSC is on target to achieve savings of $28.1 million; savings will increase to $85.3 million in 2014-15 and $114.2 million in 2015-16. These savings support fiscal responsibility and a more effective use of departmental resources.

While many of the savings will be achieved this fiscal year and next, the real property initiatives will be introduced over the next six years as leases and occupancy agreements expire. With these changes, and building on progress made in recent years, PWGSC is transforming to better serve its clients through enhanced efficiency and effectiveness, and sound and robust management.

The savings initiatives for 2013-14 are in the following areas:

1. **Accommodation and Real Property Services:** Contributing to a more affordable public service by reducing office accommodation costs. This will be achieved by working with departments to recapture real property office space in response to reduced accommodation needs. PWGSC has also developed new real property space standards consistent with leading practices, resulting in a reduction in the total amount of government office space by approximately 10%.

2. **Internal Services:** Achieving savings by concentrating on core functions, streamlining processes and eliminating redundancies and overlap, thereby ensuring value for taxpayer money. Savings will be achieved by:

    - Reducing internal overhead and information technology (IT) applications;
    - Rationalizing redundant print services;
    - Modernizing IT infrastructure to reduce costs; and
    - Winding down of the Investigations and Litigation Office.

3. **Specialized Programs and Services:** Achieved by optimizing interdepartmental coordination on Greening Government Operations and sunsetting the Canadian Language Sector Enhancement Program in 2012-13.

Approved by:

Michelle d'Auray, Deputy Minister
Public Works and Government Services Canada

Gatineau, Canada
February 28, 2014

Alex Lakroni, Chief Financial Officer
Public Works and Government Services Canada

Gatineau, Canada
February 28, 2014

Table 1 - STATEMENT OF AUTHORITIES (unaudited)

For the quarter ended December 31, 2013

(In thousands of dollars)	Fiscal year 2013-14			Fiscal year 2012-13		
	Total available for use for the year ending March 31, 2014 1) 2) 4) 5)	Used during the quarter ended December 31, 2013	Year to date used at quarter end	Total available for use for the year ending March 31, 2013 1) 2) 3)	Used during the quarter ended December 31, 2012	Year to date used at quarter end
Vote 1						
Gross Operating Expenditures	3,412,996	848,480	2,465,111	3,442,045	850,356	2,420,422
Vote-Netted Revenues	(1,376,260)	(369,379)	(953,980)	(1,393,294)	(412,404)	(1,000,766)
Net Operating Expenditures	**2,036,736**	**479,101**	**1,511,131**	**2,048,751**	**437,952**	**1,419,656**
Vote 5 - Capital Expenditure	**707,778**	**147,784**	**390,953**	**518,241**	**137,286**	**319,082**
Vote 10 - Contribution Expenditures 4)	-	-	-	**5,497**	**1,028**	**3,323**
Revolving Fund Authorities						
Real Property Services Revolving Fund						
Gross Expenditures	1,633,268	375,936	872,010	1,795,545	391,222	903,285
Revenues	(1,623,268)	(373,522)	(823,635)	(1,782,451)	(375,587)	(858,821)
Net Expenditures	10,000	2,414	48,375	13,094	15,635	44,464
Translation Bureau Revolving Fund						
Gross Expenditures	170,589	39,258	119,271	195,452	48,521	124,950
Revenues	(163,567)	(44,723)	(114,756)	(187,897)	(42,225)	(119,156)
Net Expenditures	7,022	(5,465)	4,515	7,555	6,296	5,794
Optional Services Revolving Fund						
Gross Expenditures	149,693	74,806	105,668	141,447	72,533	100,721
Revenues	(137,209)	(76,545)	(103,727)	(134,947)	(74,079)	(103,590)
Net Expenditures	12,484	(1,739)	1,941	6,500	(1,546)	(2,869)
Real Property Disposition Revolving Fund 5)						
Gross Expenditures	-	-	-	7,293	1,145	2,145
Revenues	-	-	-	(12,000)	(3,511)	(11,074)
Net Expenditures	-	-	-	(4,707)	(2,366)	(8,929)
Total of All Revolving Funds						
Gross Expenditures	1,953,550	490,000	1,096,949	2,139,737	513,421	1,131,101
Revenues	(1,924,044)	(494,790)	(1,042,118)	(2,117,295)	(495,402)	(1,092,641)
Total Revolving Fund Net Expenditures	**29,506**	**(4,790)**	**54,831**	**22,442**	**18,019**	**38,460**

Table 1 – STATEMENT OF AUTHORITIES - CONTINUED (unaudited)

For the quarter ended December 31, 2013

(In thousands of dollars)	Fiscal year 2013-14			Fiscal year 2012-13		
	Total available for use for the year ending March 31, 2014 1) 2) 4) 5)	Used during the quarter ended December 31, 2013	Year to date used at quarter end	Total available for use for the year ending March 31, 2013 1) 2) 3)	Used during the quarter ended December 31, 2012	Year to date used at quarter end
Other Budgetary Statutory Authorities						
Contributions to employee benefit plans	116,947	28,684	86,054	92,626	23,156	69,469
Minister of PWGSC salary and motor car allowance	79	20	59	78	19	58
Refunds of amounts credited to revenues in previous years	73	71	73	91	45	91
Spending of proceeds from the disposal of surplus Crown assets	529	26	56	535	116	167
Payment in lieu of taxes to municipalities and other taxing authorities 2)	-	(16,890)	43,126	-	(17,303)	35,301
Total Other Budgetary Statutory Authorities	**117,628**	**11,911**	**129,368**	**93,330**	**6,033**	**105,086**
Total budgetary authorities	**2,891,648**	**634,006**	**2,086,283**	**2,688,261**	**600,318**	**1,885,607**
Non-Budgetary Authority						
Seized Property Working Capital Account	-	**(2,049)**	**(13,766)**		**(9,659)**	**(10,216)**
TOTAL AUTHORITIES	**2,891,648**	**631,957**	**2,072,517**	**2,688,261**	**590,659**	**1,875,391**

Net increase of $203.4 million

Notes:

1) Includes only Authorities available for use and approved by Parliament at quarter-end. Amounts may not balance with other public documents due to rounding

2) Consistent with the presentation in the Main Estimates, Total available for use for the year, for both 2012-13 and 2013-14, under Payment in Lieu of Taxes (PILT), is presented net of planned PILT made to municipalities and the equivalent planned recoveries from other government departments. A description of PILT is provided in Section 1.3 of this report.

3) Total available for use excludes measures announced in Budget 2012.

4) The program under Contribution Expenditures (Canadian Language Sector Enhancement Program) ended in 2012-13.

5) The Real Property Disposition Revolving Fund closed at the end of 2012-13.

Table 2 – DEPARTMENTAL BUDGETARY EXPENDITURES BY STANDARD OBJECT (unaudited)

For the quarter ended December 31, 2013

(in thousands of dollars)	Fiscal year 2013-14			Fiscal year 2012-13		
	Planned expenditures for the year ending March 31, 2014 1) 2)	Expended during the quarter ended December 31, 2013	Year to date used at quarter end	Planned expenditures for the year ending March 31, 2013 1) 2) 3)	Expended during the quarter ended December 31, 2012	Year to date used at quarter end
Expenditures						
Personnel	1,136,632	280,479	865,727	1,040,073	271,351	815,733
Transportation and communications	97,856	19,295	56,821	93,018	20,597	57,660
Information	11,221	4,281	8,762	13,137	2,151	5,997
Professional and special services	1,615,433	386,898	883,786	1,544,008	392,397	857,555
Rentals	1,058,972	271,578	867,703	1,052,127	302,364	852,817
Repair and maintenance	1,157,746	239,100	560,243	1,292,847	237,164	587,307
Utilities, materials and supplies	249,654	93,771	161,215	220,361	94,655	167,955
Acquisition of land, buildings and works	236,435	94,553	259,909	239,084	85,907	218,594
Acquisition of machinery and equipment	84,554	8,427	20,166	83,432	7,739	17,976
Transfer payments 2)	-	(16,890)	43,126	5,497	(16,274)	38,624
Other subsidies and payments	543,448	116,683	354,923	615,266	110,073	358,796
Total gross budgetary expenditures	**6,191,951**	**1,498,175**	**4,082,381**	**6,198,850**	**1,508,124**	**3,979,014**
Less revenues netted against expenditures						
Revolving Funds Revenues	(1,924,043)	(494,790)	(1,042,118)	(2,117,295)	(495,402)	(1,092,641)
Vote-Netted Revenues	(1,376,260)	(369,379)	(953,980)	(1,393,294)	(412,404)	(1,000,766)
Total revenues netted against expenditures	**(3,300,303)**	**(864,169)**	**(1,996,098)**	**(3,510,589)**	**(907,806)**	**(2,093,407)**
TOTAL NET BUDGETARY EXPENDITURES	**2,891,648**	**634,006**	**2,086,283**	**2,688,261**	**600,318**	**1,885,607**

Net increase of $200.7 million

Notes:

1) Includes only Authorities available for use and approved by Parliament at quarter-end. Amounts may not balance with other public documents due to rounding.

2) Consistent with the presentation in the Main Estimates, Planned expenditures for the year for both 2012-13 and 2013-14, under Transfer Payments, are presented net of planned Payments in Lieu of Taxes (PILT) made to municipalities and the equivalent planned recoveries from other government departments. A description of PILT is provided in Section 1.3 of this report.

3) Planned expenditures exclude measures announced in Budget 2012.